

Show Me the Money: understanding & negotiating the landscape of contemporary philanthropy

Travelers Aid Conference
June 19, 2015



Workshop Objectives

Today we'll explore:

1. Current Trends
2. The Basics of Organizational Development
3. The Notion of the High-performance Nonprofit
4. What it takes to get donors & funders to ante up & support the cause

Current Trends



National Trends that are Affecting Our Ability to Raise Money

- ▶ Uncertain economy – for the 3rd year in a row, charitable giving was down 12%.
- ▶ Congested marketplace – more than 1.5M non-profits (not counting religious institutions!).
- ▶ 6% of non-profits own 80% of all non-profit assets. For example, Boston's tax base is close to 30% tax-exempt.

More Issues to Consider

- ▶ Demand for services has increased
- ▶ Issues facing consumers are more complex
- ▶ Technology
- ▶ Globalization
- ▶ Demographic & generational shifts

The Four Horsemen

Many nonprofits are being suffocated
by one or more of the following:

1. Real estate holdings
2. Debt
3. Poor/no investment strategy & performance
4. **Antiquated organizational structure, board & staffing patterns & old-school approaches to fundraising**

News Flash: the Era of Entitlement is Over!

Today's donors & funders almost don't care about your agency.

They want to know that you're fiscally responsible and all that good stuff, but of equal – if not more -- importance is whether or not **you are meeting a documented need and having an impact.**

If you can't demonstrate either of these, your goose is cooked!



Raising More Money Starts with Us



Considering Our Attitudes About Money

What is going to affect the outcome of our fundraising efforts above all else are our attitudes about money.

Good technical skills are important, but moving from a place of scarcity to one of abundance will have a potent affect on our ability to attract funds.

Take a Minute to Answer these Questions*:

- ▶ Money is...
- ▶ My bank account is...
- ▶ Those who have more money than me are...
- ▶ Money never...

*From Cheryl Richardson, [Take Time for Your Life](#)

And These...

- ▶ Money always...
- ▶ For me to make more money, I must...
- ▶ I can't make a lot of money because...
- ▶ I deserve...

Were you surprised by any of your answers?

Scarcity vs. Abundance

Scarcity thinking is rooted in the belief that there is not enough _____ to go around.

- ▶ How do you think this might impact your attitudes, actions and expectations?
- ▶ How might things change if you started believing that there IS enough _____ to go around?

"Whether you think you can or can't, you're right"
- Henry Ford

The “Quickening”

Despite challenging economic circumstances, some nonprofits have demonstrated their resiliency by acting with reckless hope:

- ▶ They have expanded services, sometimes in partnership with others
- ▶ They are hiring again & raising salaries
- ▶ They have found ways to cut costs & reduce waste (a la Colleges of Worcester Consortium model)
- ▶ They have engaged key supporters in helping them meet these goals

How are They Doing This?

- ▶ It's simple:
they have eliminated limiting beliefs.

(Notice I used the word “simple,” not “easy”!)

What are “limiting beliefs”?

Where do they come from?

Where do they live?

How are they manifest?

Change Requires a Conceptual & Behavioral Shift

If we want our nonprofits to flourish, we need to work on identifying & eliminating those attitudes, beliefs, policies & practices that thwart creativity & stymie adaptability.

This is particularly true when it comes to fundraising!

The High-performance Nonprofit



It's Time to Change the Way we Think

- ▶ “Nonprofit” is a tax status, NOT a business model!
- ▶ Non-profit is a for-profits & non-profits differ in two significant ways:
 1. the way we earn our income &
 2. the distribution of profits.
- ▶ We focus on cost-recovery – which is important – but why stop there? We need to explore & eradicate the limiting beliefs that keep us from playing it BIG.
- ▶ Both for-profits & non-profits are vulnerable to marketplace shifts & extinction.

How do we become a HPNP?

1. Don't get distracted! Focus on your mission. Period!
2. Provide high quality products (services).
3. Meet consumer (client) need.
4. Focus on continuous growth & improvement. You're already doing amazing, life-changing stuff! How can you do it better? And more of it?

How do we become a HPNP? (2)

5. Understand what's going on today, look for emerging patterns & figure out what that means for your business.
6. Know – and use! – best practices. Sharpen your saw!
7. Communicate, communicate, communicate – people can't give you \$\$ if they don't know where you are or what you do!

HP-NPs are REALLY sexy! They have a far easier time attracting & **RETAINING** high-quality staff, board members & **DONORS**.

Sync-ing up Our Walk & Talk

Thoughts Feelings Values	Actions Mission, etc.
Culture The “we” space	Systems

What Gets in the Way?

▶ Capacity:

- ▶ Mission drift
- ▶ Top-down approach
- ▶ Lack of communication
- ▶ Skills
- ▶ Attitudes
- ▶ Commitment
- ▶ Lack of shared vision
- ▶ Inadequate resources
- ▶ Stagnant board

▶ Competency:

- ▶ No evaluation
- ▶ No/poor planning
- ▶ Not broadcasting our worth or value
- ▶ Politics
- ▶ Isolation (bureaucracy)
- ▶ Lack of cooperation
- ▶ Role compression
- ▶ Lack of leadership

The Secrets to Successful Fundraising



The 3 Cornerstones of Fundraising

1. It's critical to build a diverse base of support. Follow the One Third Rule!
2. Philanthropy is a heart-centered activity. People give based on self-interest. The key is to connect your mission & their passion.
3. **Anyone** can participate in fundraising. It's our job to get them involved!

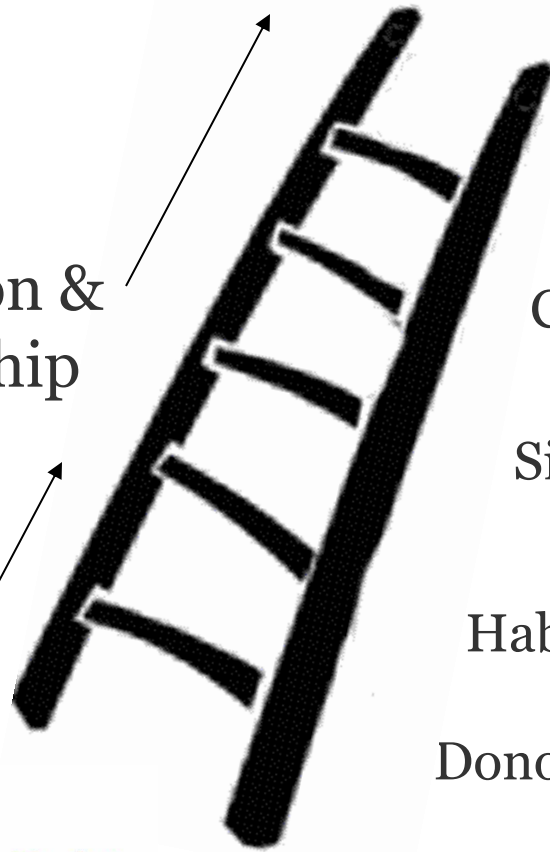
Two BIG Secrets (shhhh! ;)

1. Donors give based on self-interest.
2. Philanthropy is a heart-centered activity.

If we can't connect what we're doing with the interests & the hearts of our donors, we won't get their money.
It's that simple!

The Giving Ladder

Cultivation &
Stewardship



Estate Planning

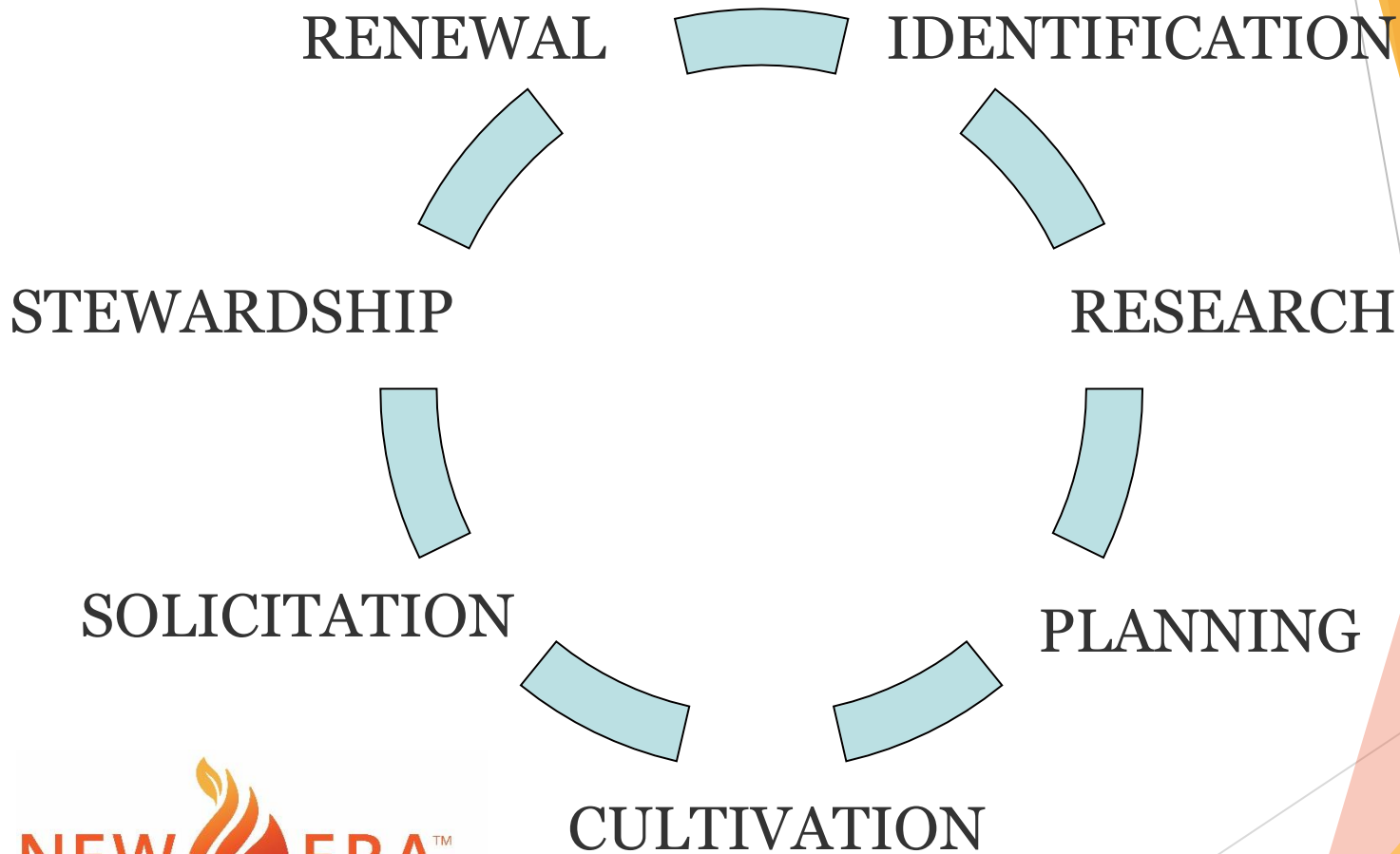
Capital/Major Gift

Significant Gift

Habitual Donor

Donor

The Giving Cycle



Love Thy Donor

To maximize our fundraising potential, we need to become donor-centered organizations. What does this mean?

1. Understand that your donors are not ATMs! Many of today's donors feel handled, disrespected & used.
2. Engage in genuine relationships & have authentic interactions (vs. transactions!), even if you are doing it en masse.
3. Understand what your donors need & expect. For most of them, this includes:
 - thanking them for their gifts in a timely manner
 - informing them about how their money is spent
 - responding quickly when donors contact the organization
 - being polite, timely & frequent in your communications.

YOU are a Mattress Company!

Say WHAT?!

Let me explain...

Your agency does not have needs. Your clients have needs. Your donors have needs.

Your agency is simply the conduit through which change/transformation happens. Most organizations spend waaaay too much time focusing on their own needs & why their good work requires donations. Instead, put your donor @ the center: “Because of your gift,...”

What We Covered

Hopefully, today's session helped you gain a better understanding of:

- ▶ Current trends that are having an impact on our ability to raise money
- ▶ Ways we can work towards becoming High-performance Nonprofits
- ▶ What donors & funders need in order to confidently step up & support our causes

Moving Forward

- ▶ Remember that growth is uneven. It's ok to have one component of your fundraising program be stronger than others – the key is to identify which ones need attention and focus your energy on strengthening them! One step at a time...
- ▶ Taking action is more important than which action you take. Remember: Ready, fire, aim!



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